Telecom business of PGCIL

1628. SHRI S.M. LALJAN BASHA: Will the Minister of POWER be pleased state:

(a) whether the Power Grid Corporation of India Ltd. (PGCIL) is involved in telecom services in the country;

(b) if so, the details thereof;

(c) the investments made in telecom sector by the PGCIL;

(d) the reasons for the PGCIL entering into non-core activities; and

(e) the steps proposed by Government to re-enforce focus to solve power transmission problems in the country?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) and (b) Yes, Sir. Power Grid Corporation of India Limited (PGCIL) entered the telecom business in the year 2001 after getting approval from Government of India in October, 1998. Subsequently, the PGCIL obtained Infrastructure Provider-II (IP-II) License from Department of Telecommunications in January, 2001 to provide end-to-end bandwidth and also obtained Internet Service Provider (ISP) Category, 'A' license in May, 2003 to provide internet services. In July, 2006, the PGCIL obtained National Long Distance Operator (NLDO) License to facilitate increase in its customer base by reaching directly to establishments such as Govt. Agencies/ Departments, Defence Services and Corporates etc. Presently, the PGCIL has a backbone network of about 20,000 km all over the country with a footprint at about 60 cities.

(c) Government of India has approved implementation of the project "Establishment of Backbone Telecom Network for Telecommunication Business" project at an estimated cost of Rs. 934.23 crore by the PGCIL.

(d) A Development of telecommunication networks to maintain the reliability of its transmission services is one of the main objects of the PGCIL. PGCIL, while executing the Unified Load Despatch and Communication (ULDC) projects, set up a dedicated broadband telecom network. During the same period (1998-99), Government of India liberalized telecom policies to enable other prospective Telecom Service Providers to enter into the telecom sector. By using the spare capacity of the ULDC network already created and also providing additional capacity at incremental cost to the same, PGCIL could easily venture into the telecom business and gamer additional resources so as to facilitate expanding its core business through this diversification.

(e) There is no deviation by the PGCIL from its objectives. Government of India has issued Guidelines for Encouraging Competition in the Development of Transmission Projects and Guidelines for Tariff Based Competitive Bidding for Transmission Services. An Empowered Committee, constituted as per the provisions of these guidelines has identified 14 inter-State Transmission Projects for Tariff Based Bidding. Out of these 14 projects, four projects have been taken up by Special Purpose Vehicles incorporated by Power Finance Corporation (PFC) and Rural Electrification Corporation (REC).